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Chairman Mr. Effah-Apenteng (Ghana)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10.05 a.m.

Organization of work (A/C.5/56/L.61/Rev.1)

1. **Mr. Pulido** (Venezuela), speaking on behalf of the Group of 77 and China, said that the proposed programme of work reflected a relatively balanced allocation of time, with priority being accorded to time-bound items. However, the Bureau should ensure availability of conference services for an additional week, if necessary.

2. The late issuance of documentation was a serious impediment to the work of the Fifth and other Main Committees and the issue should be seriously addressed under the relevant agenda item. The Secretariat must comply with the six-week rule for the issuance of documents so as to give all delegations an opportunity to review them prior to their consideration.

3. The Group was also concerned that proposals were being made with utter disregard for established rules of procedure. It was particularly important to ensure simultaneous distribution of draft resolutions and decisions in all the official languages prior to their adoption.

4. Concerning specific items, in particular human resources management and administration of justice, the Secretariat should provide an explanation in formal meeting for the continuing delay in the publication of several reports requested in General Assembly resolution 55/258 and explain the relationship between the administrative instructions on the issue and the provisions of that resolution. It should also indicate why several reports that had in fact been issued had nevertheless been included in the list proposed for postponement. Specifically, the report of the Advisory Committee on Administrative and Budgetary Questions on the implementation of General Assembly resolution 56/242 should be made available without delay.

5. **Ms. Silot Bravo** (Cuba) said that her delegation would like to receive replies to the questions that had been asked by the representative of Venezuela on behalf of the Group of 77 and China, particularly on the issues of conference services at Nairobi and contingent-owned equipment.

6. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had not taken up the report of the Secretary-General on implementation of the provisions of resolution 56/242 on pattern of conferences (A/56/919), as the report did not contain budgetary recommendations on which the Advisory Committee was required to report immediately to the Fifth Committee. He had already provided an explanation to the Group of 77 and China as to why the Advisory Committee did not consider it necessary to report to the Fifth Committee at the current juncture.

7. In his report, the Secretary-General had indicated that services for meetings of regional and other major groupings might be reduced. At the current stage, however, the Advisory Committee could not advise the Fifth Committee on how to proceed on the implementation of the budget for the biennium 2002-2003. The most appropriate way would be to carry out the programming exercise in the context of the performance report to be submitted to the Assembly at its fifty-seventh session. It was also necessary to systematically identify the effect that reductions were having on the number of mandated meetings and other activities before pronouncing on a course of action. That information had not been provided in the report of the Secretary-General.

8. **Ms. Silot Bravo** (Cuba) said that the Group of 77 and China had made a specific request that the Advisory Committee's report on document A/56/919 should be issued for consideration at the current part of the resumed session. The issues in question were fully within the competence of the Fifth Committee and the Secretariat should provide an explanation for the various reports that were still not available. The Group of 77 and China was concerned about the tendency to postpone the consideration of issues on which reports had not been issued on time.

9. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that he had no wish to engage in a dialogue on the matter as he did not want the Advisory Committee to become the issue. The problem was the arbitrary manner in which the proposed reductions had been handled during the fifty-sixth session of the Assembly. A statement of programme budget implications should have been prepared on the basis of which the Advisory Committee would have been able to make recommendations to the Fifth Committee before that Committee took a final decision. That had not been done and the issue had now become a political

one. The report of the Secretary-General concerned the effect of the reductions on the ability of Member States to pursue their diplomatic dialogue. There was no way for the Advisory Committee to make specific recommendations concerning reductions, since the Secretary-General had made no proposals in his report and had merely taken note of the proposals of the General Assembly. If the Advisory Committee was requested to review the Secretary-General's report, he doubted that it would be able to report back before the end of the current part of the resumed session or that the report would be more informative than the statement he was now making. To be pragmatic, the only way to address the issue was in the context of the performance report.

10. **Ms. Silot Bravo** (Cuba) said that the question being raised by her delegation was a procedural one. As a subsidiary body of the Assembly, the Advisory Committee should be guided by the rules of procedure of the General Assembly. The opinions of the Chairman of the Advisory Committee were personal and preliminary inasmuch as the Fifth Committee had not been made aware of the debate that had taken place within the Advisory Committee, even though the Group of 77 and China had formally requested the Advisory Committee to report its opinions on document A/56/919. It was for the General Assembly to evaluate the results of the budget resolution and she agreed with the Chairman of the Advisory Committee that the decision was now a political one.

11. **The Chairman** recalled his earlier statement that the Advisory Committee would have no time to comment on the documents that were still to be submitted by the Secretariat and their consideration should therefore be deferred to the fifty-seventh session of the Assembly. He took it that the Committee wished to approve the proposed programme of work for the second part of the resumed fifty-sixth session of the Assembly, on the understanding that adjustments would be made as necessary during the course of the session.

12. *It was so decided.*

13. **Ms. Silot Bravo** (Cuba) said that it was important for the Committee to take up reports such as those concerning contingent-owned equipment and conference services at the Nairobi Office and the possibility should be considered of making conference services available for an additional week during the current part of the resumed session so that consideration of those issues would not have to be deferred.

14. **The Chairman** said that the Bureau would discuss the matter.

Standardization of the format of resolutions on peacekeeping operations

15. **The Chairman** said that the idea behind standardizing the format of resolutions on the financing of peacekeeping operations was to streamline the work of the Committee. He had been informed, however, that, even though many delegations felt that it was a good idea, there was a general preference for the matter to be postponed for further consideration during the fifty-seventh session of the General Assembly. Accordingly, the matter would not be considered further during the current session.

16. *It was so decided.*

Agenda item 120: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

17. **The Chairman** said that, in the absence of further comments, he took it that the Committee had thus concluded its general discussion on the item.

18. *It was so decided.*

Agenda item 134: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*) (A/56/813, A/56/832 and Add.1 and A/56/887/Add.8)

(b) United Nations Interim Force in Lebanon (*continued*) (A/56/822, A/56/887/Add.7 and A/56/893)

Agenda item 135: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*) (A/56/763, A/56/802 and A/56/887/Add.6)

Agenda item 137: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*) (A/56/840, A/56/862 and A/56/887/Add.9)

Agenda item 139: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*) (A/56/794, A/56/820 and A/56/887/Add.5)

Agenda item 141: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/56/833, A/56/855 and A/56/887/Add.3)

Agenda item 144: Financing of the United Nations Preventive Deployment Force (*continued*) (A/56/842)

Agenda item 146: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (*continued*) (A/56/852)

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Agenda item 151: Financing of the United Nations Mission in Haiti (*continued*) (A/56/851)

Agenda item 154: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*) (A/56/698, A/56/773 and A/56/887/Add.2)

Agenda item 155: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium and the Civilian Police Support Group (*continued*) (A/56/844)

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Agenda item 133: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/56/870, A/56/887/Add.1-9 and A/56/902)

19. **The Chairman** invited the Committee to resume its consideration of the items relating to the financing of 13 United Nations peacekeeping operations and of the reports of the Secretary-General on the financing of the United Nations Logistics Base at Brindisi (UNLB) and the concept of strategic deployment stocks, which were submitted under agenda item 133.

20. **Mr. Soto** (Spain), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Turkey, and, in addition, Iceland and Norway, expressed concern at the late issuance of many reports, which had limited the time available for delegations to study them. There was need in that regard for better compliance by the Secretariat with existing rules.

21. United Nations peacekeeping was a core function of the Organization and an activity that was demonstrably important to the international community. The European Union commended all those who risked their lives every day to create a more peaceful and secure world. The 6,000 troops, civilian police and other personnel it contributed to peacekeeping missions, its more than 40 per cent share in the financing of the peacekeeping budget and its contribution to the training of peacekeeping personnel were further testament of the European Union's commitment to that effort. Because the maintenance of peace and security was such a challenging and crucial task, it was essential for the budgets of peacekeeping operations to be prepared in an efficient and cost-effective manner and for the Secretariat to be given the resources to carry out the mandates of Member States. In that connection, forecasting was crucial in order to allow Member States to properly estimate resource requirements at an early stage. The European Union wished to reiterate its call for a presentation to be made by the Secretariat early in the year that would outline trends in expected expenditure for peacekeeping operations beyond the subsequent financial year. It recognized, however, that that was no easy task and, in the meantime, more regular information on peacekeeping expenditures would be very helpful.

22. Longer-term planning for the financial and administrative aspects of peacekeeping operations must take into account the need for each mission to have an exit strategy. Where appropriate, the mandates of peacekeeping operations should also be aligned with the peacekeeping financial calendar in order to ease the bureaucratic burden placed on the Secretariat and Member States in carrying out multiple assessments and forecasting for mission mandates outside the peacekeeping financial year.

23. On the question of strategic deployment stocks, Member States had already approved the concept and must now agree on the most appropriate way of financing such stocks. The European Union stood ready to discuss the Secretary-General's proposal to finance them from the unencumbered balances of closed missions and supported his proposal for pre-mandate commitment authority, since it was important for logistical planning to begin at an early stage before the mandate was approved by the Security Council. There was no need to change the financial regulations and rules if the Secretary-General had the means within the existing rules to request pre-mandate commitment authority.

24. With regard to the management of peacekeeping operations, the European Union was concerned at the failure to address certain inadequacies. It saw little or no value, for example, in the establishment of separate special units in some established missions, where there was little justification for the posts requested. Where there were large numbers of continuing vacancies, posts should not be retained for long periods when it was clear that missions could function well enough without the posts being filled. The European Union would therefore like to see a review of the structure of the civilian component of peacekeeping missions.

25. Other areas of concern included mission subsistence allowance (MSA), which should reflect actual living costs in the mission area. Elements of hardship compensation should not be included in MSA. Out of concern that the Organization should perform its peacekeeping functions with only those resources that were required to do the job, the European Union would welcome a review of the standard staff ratios applied to peacekeeping operations, bearing in mind the impact of information technology and improvements in staff training and development. On the question of reimbursement of contingent-owned equipment and self-sustainment, the European Union agreed with the Advisory Committee's conclusion that an effective procedure should be put in place for ascertaining the capacity of troop-contributing countries to meet established requirements. The whole system of verification should be strengthened, moreover, to uncover non-compliance with memorandums of understanding. In particular, arrival inspections on major equipment should be carried out for all contingents.

26. The European Union shared the Advisory Committee's concern that the Organization had been forced to start some mission operations without having first signed the respective status-of-forces agreements. That had led in some cases to the unacceptable situation of heavy expenditures being incurred in duties and taxes. The late signature of memorandums of understanding could also affect the Organization's liability for air transport, particularly in case of accident or injury. The European Union expected those issues to be addressed in the context of the implementation of the recommendations contained in the report of the Panel on United Nations Peace Operations (Brahimi report) (A/55/305).

27. The European Union was also deeply concerned at the lack of consistent criteria for the procurement of aircraft services, which had become the third largest component of expenditure. A comprehensive strategy should take into account the existence of synergies and the need for further collaboration between the different missions and other United Nations organizations. The European Union was of the opinion that, before services were contracted for the provision of executive jets, it should be clear that no commercial transportation alternatives for official purposes or medical evacuation were available.

28. The progress made in introducing results-based objectives in the budget for the support account for the biennium 2002-2003 was very encouraging. Objective-setting, monitoring and effective evaluation should improve planning. The European Union welcomed the Secretary-General's intention to conduct workshops in results-based budgeting for budget officers working in peacekeeping and looked forward to the implementation of results-based budgeting in the budget submissions for the period from 1 July to 30 June 2004. The budgets of peacekeeping operations should also address the need for a gender-sensitive approach, the cost of which should be included in the budget proposals for peacekeeping missions.

29. The weaknesses that had been identified in the liquidation process for peacekeeping operations were unacceptable and the European Union would welcome an update on the situation in all missions in liquidation and on the Secretariat's proposals for reforming the process.

30. On the subject of staff training, while the European Union was supportive of training in general, training seemed to lack a strategic plan that took into consideration the core needs of staff and the relevance of training to mission requirements. There was need for balance between what was necessary for staff development and the needs of the Organization. The Secretariat should provide a detailed explanation of how it intended to deal with that issue.

31. The lack of planning and adequate training of staff in procurement and inventory management, an area that accounted for large investments by the Organization, continued to give cause for concern. It should be possible to achieve better control of United Nations property in peacekeeping missions through the use of the field assets control system that was now operational in all peacekeeping missions. The European Union would welcome information on the action taken by the Department of Peacekeeping Operations to develop and implement a comprehensive strategy that integrated the information and communication technology strategies of field missions and the Secretariat.

32. The topic of strategic deployment stocks would be one of the most important to be taken up at the current session. The lack of a rapid deployment capability had been repeatedly identified as a major weakness in United Nations peacekeeping. The implementation of strategic deployment stocks was therefore a crucial development and every effort should be made to ensure the high quality and effective maintenance of the stocks. Before purchases were made, it would also be useful to revise the standard costs of the technical components of the stock.

33. **Mr. Duval** (Canada), speaking also on behalf of Australia and New Zealand, expressed satisfaction at the improving financial situation of the Organization and urged all Member States to pay their contributions on time, in full and without conditions.

34. The reform process initiated by the Brahimi report had resulted in significant improvements in the Organization's peacekeeping capabilities both at Headquarters and in the field. Efforts should now focus on reform measures that had yet to be implemented, including the establishment of strategic deployment stocks at the United Nations Logistics Base at Brindisi (UNLB), which were vital to the improvement of rapid deployment. Establishing strategic deployment stocks for one complex mission was a prudent, realistic and economical approach at the current juncture. He supported the Secretariat's proposal for financing the initiative and agreed with the Advisory Committee that pre-mandate commitment authority could be achieved under current arrangements. Given the scope of the initiative, however, care must be taken in establishing and managing the stocks. While the Secretariat's replenishment and rotation policies were sound, adequate inventory management and control of the stocks at UNLB remained vital. The strategic deployment stocks, together with the Peacekeeping Reserve Fund, would double the resources currently available for establishing new missions and it might therefore be appropriate to review the conditions for use of the Fund.

35. Improvements in the management of the $2.6 billion peacekeeping budget were also in order. Clearly, much remained to be done to increase the productivity and efficiency of such activities as assets management, procurement, transport and communication. He shared the Advisory Committee's conclusion that the Organization's ability to manage missions in transition needed to be strengthened and hoped that that Committee's proposals would be taken on board by the Secretariat.

36. The Secretariat was to be congratulated on its first attempt at applying results-based budgeting. He, however, regretted the absence of a results-based narrative in the report of the Secretary-General on the concept of strategic deployment stocks and its implementation (A/56/870).

37. In keeping with the objectives of results-based budgeting, there was considerable opportunity for improving the way the United Nations managed, budgeted for, and financed peacekeeping operations, since the current process was labour-intensive, unduly complicated and highly bureaucratic. Examining the question of consolidating assessments to improve the ability of Member States to budget for and pay their assessments would be a good first step. Improving information flow and having a predictable or scheduled

time line for assessments would also be invaluable in helping Member States meet payment deadlines.

38. The sheer volume of reporting weighed heavily on the Secretariat and Member States alike, and should be streamlined. During the current part of the resumed session, some 78 reports were due to be considered on peacekeeping management and peacekeeping operations.

39. The financial framework supporting peacekeeping was also cumbersome, causing many missions to experience negative cash balances despite the Organization's healthy aggregate peacekeeping cash flow. A more flexible system that integrated peacekeeping budgets should therefore be considered.

40. **Mr. Kennedy** (United States of America) agreed with the Chairman that all delegations should commit themselves to completing the Committee's work within the allocated time frame. Many issues were not new, and the Committee should be particularly sensitive to the importance of conserving the Organization's precious financial resources.

41. His delegation was disappointed that certain reports were not yet ready for consideration. It was, however, aware of the increasing number of reports that the Secretariat was required to prepare at the request of Member States, in addition to the 41 reports on current and recently closed missions.

42. Peacekeeping was one of the key functions of the Organization and had one of the largest collective budgets in the United Nations system. The Committee was thus especially challenged to ensure that the funds contributed by Member States were used to maximum benefit. Results-based budgeting was key to the evaluation of mission performance and an effective management tool for the Administration. His delegation supported the Advisory Committee's observation that rational and achievable objectives should form the core of results-based budgetary requests.

43. It would also be examining circumstances in which mission subsistence allowance (MSA) rates were higher than appeared necessary, given local conditions, and the steps being taken to ensure that payments were made at the appropriate level. It was incumbent on the Secretariat to ensure that the personnel of all missions were treated fairly and equally. His delegation could not support unique benefits without a pressing, demonstrated case that mission performance had suffered and would continue to suffer without a particular benefit.

44. It was a matter of concern that many missions continued to have excessive unobligated balances, which was reason enough for a detailed review of budgeting practices. At the same time, problems with reimbursements to Member States persisted and were not always related to shortages of funds. The lack of memorandums of understanding and agreements with troop contributors was also a major concern, and the Secretariat should work with affected countries to remedy the situation as soon as possible.

45. His delegation was also concerned at reports that pre-arrival and operational reviews and inspections were not being performed in a timely manner and that there were frequent discrepancies between Headquarters' assumptions concerning staffing on the ground and the reports of heads of mission. Such discrepancies could lead to delays in payments to troop contributors and conceal problems that needed to be remedied before full operational capacity could be reached. The time required for mission liquidation activities could also be shortened and suggestions in that regard from the Secretariat would be appreciated.

46. The large budgets and high operational risks related to peacekeeping made effective oversight imperative. The Board of Auditors and the Office of Internal Oversight Services (OIOS) should therefore be commended for providing that critical service. His delegation would welcome information on the status of the proposal of OIOS to strengthen oversight through the placement of additional resident staff in large missions.

47. His delegation took note of the Secretariat's detailed proposals for strategic deployment stocks to be located at UNLB, and supported the concept of a single large mission plan for the initial stock. The original intention of the plan had been to procure big-ticket or long lead time articles, and his delegation was therefore examining the proposed stock lists to ensure that those extraordinary items received the bulk of any special funding. His delegation also supported the use of existing cash balances to fund the first stage of procurement, so that the Secretariat could begin to work immediately to make the strategic deployment stocks a reality, rather than having to wait a year or more while funds were assessed and collected.

48. The reports of exploitation of women and children by peacekeepers and other international personnel were also a cause for concern. All steps must be taken to investigate all such reports and to implement strong safeguards to prevent future occurrences.

49. **Mr. Gatilov** (Russian Federation) said that establishment of the strategic deployment stocks, which had received the general endorsement of Member States, was one of the most important elements for strengthening the potential for rapid and effective deployment. It was necessary to focus on the administrative and budgetary aspects of the proposal.

50. Certain issues deserved particular attention, including the number of missions for which the stocks were to be established. His delegation supported the view that, for the time being, the number should be limited to the deployment of one complex mission, and the lessons learned from that first experience. The Committee had been informed that expenditures for the establishment of one such complex mission would amount to some $146.2 million. His delegation welcomed the fact that the Secretariat agreed in principle with the Advisory Committee's recommendations in that regard. It also shared the Advisory Committee's view that clear-cut and realistic policies were required for the replacement and rotation of components, particularly expensive equipment and computers. There was also need for transparent and effective rules of financial accounting between UNLB and the missions.

51. The Secretariat should also focus on reaching agreement with Member States on the provision of specialized equipment, materiel and services. It was important to ensure the direct involvement of States, rather than commercial enterprises, and to enter into economical storage and equipment-servicing arrangements.

52. With regard to the granting of pre-commitment authority to the Secretary-General, his delegation supported the Advisory Committee's opinion that existing resolutions already gave the Secretary-General sufficient financial authority to commence planning and deployment prior to the establishment of a new mission by the Security Council. A letter from the President of the Security Council clearly endorsing the Secretary-General's intention to establish a given operation could be seen as a decision to trigger deployment. His delegation therefore supported the proposal to approve the concept of strategic deployment stocks, but considered that the proposal on financing needed further discussion.

53. **Mr. Yamanaka** (Japan) said that the establishment of new missions and expansion of mandates had made it all the more important to strengthen the effectiveness of peacekeeping operations and in particular to improve rapid deployment capabilities. The amount of $2.9 billion that had been proposed for peacekeeping for the period from July 2002 to June 2003 still represented a high level of funding. His delegation wished to reiterate the importance of adhering to General Assembly resolution 49/233 A of 23 December 1994. It also wished to encourage the Secretariat to continue to improve its budget proposals.

54. The size of the strategic deployment stocks should be based on assessed needs. It was also more realistic to use the planning assumption that one complex mission would be deployed per year. He recalled that the Special Committee on Peacekeeping Operations had reached the same conclusion. The establishment of strategic deployment stocks would also alleviate the delay in deploying some peacekeeping missions, particularly in Africa.

55. His delegation had noted with interest that in order to enhance material readiness for new missions, goods and commodities would be pre-positioned at UNLB, and services would be provided using pre-mandate commitment authority. His delegation also agreed that a letter from the President of the Security Council to the Secretary-General would constitute a decision sufficient to trigger the resolutions mentioned by the previous speaker.

56. To manage and maintain strategic deployment stocks, all available facilities at UNLB should be efficiently utilized. Post requirements in that connection should accordingly be closely examined. The opinions and recommendations contained in the reports of the Advisory Committee constituted a sound basis for more detailed discussions on strategic deployment stocks and pre-mandated commitment authority, as well as the UNLB budget.

57. **Mr. Nakkari** (Syrian Arab Republic) said that the report of the Secretary-General contained in document A/56/832 and Add.1 should not be read in isolation from the original report that had been issued pursuant

to paragraph 3 of General Assembly resolution 55/264. Though two years late, the current report and the proposals it contained were welcome.

58. The dialogue between the Secretariat and the local staff of the United Nations Disengagement Observer Force (UNDOF) should be ongoing and should take into account all the concerns expressed by the staff. Through the annual report on the financing of the Force, the General Assembly should be kept informed of the outcome of that dialogue and the manner in which those concerns were addressed.

59. His delegation was eager to see good work on the part of both local and international staff, for which good working conditions, including the replacement of infrastructure in accordance with the three-year master plan, were required. The Secretariat should provide further information on its compliance with the request contained in paragraph 20 of the Advisory Committee's report (A/56/887/Add.8). His delegation also approved the establishment of the three proposed international posts.

60. The report of the Secretary-General gave rise to a number of questions. He wished to know the purpose of the integration between UNDOF operations and the operations of the Observer Group Golan of the United Nations Truce Supervision Organization referred to under Objective 3 in section X of the report. He would also like clarification of the statement in paragraph 25 that "for operational reasons, it has been concluded that no conversion of General Service staff posts into local staff posts is possible at this time", notwithstanding the General Assembly's request in paragraph 14 of its resolution 55/264 that the Secretary-General should continue "efforts to recruit local staff for the Force against General Service posts". The representatives of the Secretariat should indicate what criteria were followed in assigning local staff to work in other missions. His delegation regretted the absence of any discussion of the question of the transfer of local staff in the Secretary-General's report.

61. Lastly, his delegation wondered whether the recommendation contained in paragraph 25 of the Advisory Committee's report (A/56/887/Add.8) should not be amended to more accurately reflect the oral statement by the Chairman of the Advisory Committee that the Committee agreed with the financial implications of the peacekeeping operations covered in a number of reports of the Secretary-General, including his report on UNDOF. With regard to the financing of UNDOF, the Fifth Committee should approve the financial implications indicated in the relevant reports of the Secretary-General (A/56/832 and Add.1).

62. **Mr. Herrera** (Mexico), referring to the report of the Secretary-General on the concept of strategic deployment stocks (A/56/870), said that the best peacekeeping operations were not necessarily the largest but the most timely. A United Nations presence in a conflict area could mean the difference between life and death for many. His delegation therefore supported the concept of strategic deployment stocks. The Secretary-General's proposal essentially had to do with administrative and budgetary matters, and would not give him authorization to deploy troops without a mandate from the Security Council.

63. Regarding the role of the Security Council, if the recommendations in the report were adopted, his delegation would like to know what treatment would be given to the resources utilized by the Secretary-General in the event that the Security Council at the last moment did not adopt a resolution authorizing deployment of a mission. It understood that, in conformity with the Charter, Member States were required to comply with Security Council decisions, in particular those taken pursuant to Chapter VII of the Charter, including assessments for their financing. In such cases, Security Council resolutions provided the legal justification for requesting resources from the Governments of Member States. Therefore, his delegation would like clarification of the procedures to be followed if events did not permit the proposed mechanism to operate.

64. **Mr. Chandra** (India) said that India had always been a strong supporter of United Nations peacekeeping. As such, it was committed to ensuring that the necessary financial and human resources were provided for that function and that an effective administrative and financial structure was put in place for managing peacekeeping operations.

65. The concept of strategic deployment stocks was one of the most important issues before the Committee, for it was vital that the Organization should acquire the rapid deployment capability it had lacked in the past. He was pleased to note that the Administration had accepted the two main conclusions in the related report of the Advisory Committee (A/56/902), namely, that coverage for one complex mission would subsume

provision for a traditional mission and, in connection with the additional financial commitment authority sought, that the actions envisaged by the Secretary-General in paragraph 35 of document A/56/870 would fall within the scope of the "start-up phase" referred to in General Assembly resolution 49/233 A, section IV, paragraph 1. He agreed with the Advisory Committee that the approach used in the context of the establishment of the Peacekeeping Reserve Fund might also be applied to the financing of strategic deployment stocks.

66. With regard to the proposed 80.1 per cent increase in total gross resources for UNLB, which included additional post as well as non-post resources, there was a need to consider whether the 29 per cent vacancy rate among international staff might be attributable, at least in part, to the non-application of the post-adjustment factor to the base salary of staff at UNLB.

67. His delegation concurred with the view expressed by the Under-Secretary-General for Internal Oversight Services in his statement at the Committee's 54th meeting that MSA was intended to respond to the operational demands of missions in the field. It regretted, however, that the Under-Secretary-General had not taken cognizance in his comments on MSA of the relevant conclusions and recommendations of the Special Committee on Peacekeeping Operations.

68. Regarding contingent-owned equipment, his delegation agreed with the Advisory Committee that the management of arrangements in the field and at Headquarters required priority attention to remedy serious flaws in the system and that emphasis should be placed on pre-arrival and operational inspections. He noted that the post-Phase V Working Group on reformed procedures for determining reimbursement of contingent-owned equipment had made far-reaching conclusions and recommendations in that regard, which had since been approved by the General Assembly. He asked how the Secretariat intended to implement the Advisory Committee's recommendation concerning the need for improved arrangements for reimbursement, particularly with a view to assisting troop contributors from developing countries, and why it had not been possible to issue all the reports on matters relating to contingent-owned equipment and troop costs in time for their consideration by the Committee at the second part of the resumed fifty-sixth session of the General Assembly.

69. Lastly, he expressed satisfaction at the encouraging start made by the Secretariat in the transition to a system of results-based budgeting for the support account for peacekeeping operations.

70. **Ms. Wang** Xuixia (China) said that, like previous speakers, she was concerned about the delays in the issuance of documentation; the Secretariat should take steps to address that problem. She agreed that the budgeting process could be further streamlined and that it was important to address in mission budgets the need for a gender-sensitive approach. In that connection, her delegation urged the Department of Peacekeeping Operations to take the principle of gender balance into account in the recruitment of staff.

71. With regard to strategic deployment stocks, her delegation was ready to support any measure that would facilitate rapid deployment and ensure the rational allocation of assets and was keen to consider the proposal further. In particular, it would like to hear more about the experience of missions, including the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC), which had pre-positioned stocks at UNLB.

72. She noted that, whereas the proposed staffing requirements for UNLB provided for 47 new posts relating to strategic deployment stocks, the Advisory Committee had recommended the establishment of only 20 new posts. Since the Assistant Secretary-General for Mission Support had assured the Committee that the strategic deployment stocks concept could be implemented with the staffing level approved by the Advisory Committee, she wondered on what basis the Secretary-General's original proposals had been made. She concurred with the Advisory Committee that the Administration should have adhered to the established budget practice for the presentation of posts; it was confusing to present requests for the reclassification of existing posts as requests for new posts. The Administration must be prepared to contemplate downward as well as upward reclassifications, since staffing levels should reflect actual conditions and requirements.

73. According to the related report of the Advisory Committee (A/56/902), the budgetary requirements for strategic deployment stocks for one complex mission would amount to $146.2 million, which would represent a one-time cost. It was not clear to her how that figure had been arrived at or how the long-term

costs of storing and replenishing the stocks would be met. Regarding the procurement of the stocks, the most important criteria would be quality and cost-effectiveness. The procurement process would have to be transparent and the principle of equitable geographical distribution would have to be taken into account.

74. **Mr. Mladenovic** (Yugoslavia), commenting on the report of the Secretary-General on the financing of the United Nations Interim Administration Mission in Kosovo (UNMIK) (A/56/802) and the related report of the Advisory Committee (A/56/887/Add.6), said that his delegation fully supported the budget proposal for the period 1 July 2002 to 30 June 2003.

75. The provisional institutions of self-government established following the elections held in Kosovo and Metohija would assume part of the responsibility for the functioning of the province. Nonetheless, UNMIK would continue to bear the major share of responsibility in important segments of its administration, for which appropriate financial resources must be provided. That was especially important, considering that the security situation in those areas remained grave and that one of the short-term priorities was the return of internally displaced persons, including Serbs and other non-Albanians, to the province.

76. If the proposed reduction in resources was approved, it should not be allowed to jeopardize in any way the implementation of Security Council resolution 1244 (1999) and the obligations of UNMIK. Particular attention should be paid to the recommendations concerning priorities in the retention of staff contained in the report of the Advisory Committee.

77. **Mr. Halbwachs** (Controller) welcomed the positive comments made regarding the introduction of results-based objectives in the budgets of the peacekeeping operations for 2002/2003. There remained room for improvement, and he therefore looked forward to exploring the issue further with delegations.

78. With regard to the concept of strategic deployment stocks, it was the opinion of the Advisory Committee that there was no need to provide any additional commitment authority, since a letter from the President of the Security Council to the Secretary-General expressing concurrence with his intention to plan and prepare for a possible new mission would constitute a decision sufficient to trigger the implementation of either paragraph 3 of the resolutions on unforeseen and extraordinary expenses or General Assembly resolution 49/233 A. Should the Council ultimately decide not to approve the mission, the stocks purchased would be redeployed to existing missions and the expenditures incurred prorated among them. That scenario was unlikely, however, since the drafting of a letter by the President of the Council would require the agreement of the membership. He concurred with the representative of Canada that, if the concept of strategic deployment stocks was approved, there would be a need to review the conditions for the use of the Peacekeeping Reserve Fund.

79. Attempts were being made to streamline the process of budgeting for peacekeeping, and the Secretariat was considering the alignment of the mandates of peacekeeping operations with the peacekeeping financial calendar. He agreed that it would be desirable to forecast expenditure for missions beyond the subsequent financial year. However, the Secretariat lacked the necessary information to project that far ahead.

80. Lastly, with regard to the problem of late issuance of documentation, he recalled that it had not been possible to finalize and submit at the second part of the resumed fifty-fifth session of the General Assembly, in May 2001, the proposed budgets for five peacekeeping missions for 2001-2002. Those budgets had finally been submitted in the autumn of 2001. As a result, the Secretariat had fallen behind in the preparation of the reports scheduled for consideration at the second part of the resumed fifty-sixth session, including some reports on contingent-owned equipment and troop costs, which were now to be considered at the fifty-seventh session. Currently, three of the reports were in reproduction and one had been issued. He noted that attempts were being made to reduce the overall number of reports and to make individual reports more readable and focused.

81. **Mr. Sheehan** (Assistant Secretary-General for Mission Support) said that there was need for a more extensive dialogue between the Department of Peacekeeping Operations and Member States, particularly troop contributors, in order to address the core issues of peacekeeping. He noted that, while the mandates of new peacekeeping missions continued to expand, the pool of countries that contributed troops was shrinking and fewer contingents were fully self-

sustaining, which meant that the Secretariat was increasingly being called on to fill the gaps and many expert staff were being seconded from Headquarters to respond to crises in the field. As a result, the capacity of the Secretariat to implement the changes sought by Member States and to undertake long-term planning was compromised.

82. With regard to strategic deployment stocks, he pointed out that the Advisory Committee had recommended the establishment of eight new posts for international staff, which was close to the number requested by the Secretary-General. While the 12 new posts approved for local staff represented a significant reduction, the Advisory Committee had acknowledged the need for contractual staff to cope with surge periods. As to the cost of establishing the stocks, the figure of $146.2 million had been arrived at based on the assumption that coverage for a traditional mission could be subsumed within the provision for a complex mission.

83. Regarding the timeliness of the submission of budgets for peacekeeping missions, it was important to have the appropriate staff on the ground early in the life of missions so that the necessary planning could be done, that was closely related to the issue of pre-mandate commitment authority.

84. **Mr. Herrera** (Mexico) said that there appeared to be a widely held view that the Security Council was infallible. He was aware that the President of the Council did not work in a void. However, there remained a very real possibility that strategic deployment stocks might be purchased for a mission that the Council ultimately decided not to approve. He was not aware of any legal basis for the proposal that the cost of unutilized stocks could be prorated among existing missions, nor was he convinced that a mission could proceed on the basis of a letter. The Secretariat had failed to address those points in a satisfactory manner. He therefore wished to receive detailed clarification in writing.

85. **The Chairman** said that the request of the representative of Mexico had been noted.

86. **Mr. Halbwachs** (Controller) said that, in fact, many of the special missions financed through the regular budget of the United Nations proceeded on the basis of a letter from the President of the Security Council.

87. **Ms. Wang** Xinjia (China) said that, in order to avoid confusion, the Secretariat should provide a clearer explanation to Member States.

88. **Mr. Farid** (Saudi Arabia) said that his delegation commended the efforts of the Department of Peacekeeping Operations to apply results-based budgeting to the support account. It would be helpful, however, if the Department could shed some light on the inventory control system for field assets.

89. **Mr. Sheehan** (Assistant Secretary-General, Department of Peacekeeping Operations) said that enormous progress had been achieved in establishing an inventory control system using information technology, and work was proceeding on a system that could use a form of bar coding on expendable equipment used in the field, which would greatly improve accountability.

90. Information technology was key to making the system work. The entire inventory control system was currently being managed by a staff member at the P-5 level; unfortunately, the request to upgrade that post to D-1 had been rejected. Under the current circumstances, it would be difficult to attract and retain the qualified staff needed to implement such systems.

Agenda item 133: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/56/870, A/56/887/Add.1-9 and A/56/902)

Agenda item 130: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*) (A/56/903)

91. **Mr. Ahmed** (Iraq) said that his delegation welcomed the report of OIOS on the update of oversight activities concerning the oil-for-food programme and the United Nations Compensation Commission (A/56/903) as it referred to unresolved questions relating to the audit of accounts. Unfortunately, the assessment was casual and did not deal with the shortcomings and impropriety mentioned in two earlier OIOS reports (A/55/436 and A/56/381) or the observations contained in the statement made by the delegation of Iraq at the previous session.

92. His delegation did not believe that the way in which those matters had been handled could be attributed to a shortage of staff. His Government had requested the participation of an Iraqi manager in the

auditing of accounts, since it was unjust for Iraq to sustain millions of dollars in losses because of practices and violations committed by United Nations employees. It hoped that OIOS would step up its activities in connection with the oil-for-food programme and the United Nations Compensation Commission and ensure full implementation and effective monitoring of the programme, in accordance with United Nations procedures.

93. His delegation maintained the right to demand serious investigations of financial mismanagement and to view all OIOS reports related to the programme. It also supported closer coordination of oversight to prevent any repetition of violations, which aggravated the suffering of the Iraqi people, on whom unjust and unprecedented sanctions had been imposed for more than 12 years.

94. **Ms. Stern** (Director of the Internal Audit Division, Office of Internal Oversight Services) said that her Office had attempted in its report to address the queries raised by Iraq, but would hold bilateral consultations with that delegation, if required. The representative of Iraq had used the term "violations" when referring to actions of the staff of the Office of the Iraq Programme. However, OIOS would define "violations" as instances of gross misconduct or mismanagement, and if any had been found, those cases would have been transferred immediately from the Internal Audit Division to the Investigations Division. Certain weaknesses and management irregularities had been found, and recommendations had been made for correcting them. Follow-up to recommendations was taken very seriously. In fact, only two of the recommendations made to the Office of the Iraq Programme had not been acted on, which was a very high rate of implementation.

95. With regard to participation by Iraqi auditors, it would be possible to perform concurrent audits, each group following its own reporting lines. The possibility of a joint audit was something both parties might wish to pursue, and could be discussed bilaterally. The additional audit post at the United Nations Compensation Commission was welcome, but had not yet received approval from the Governing Council.

96. With regard to audits of the activities of the Office of the Humanitarian Coordinator in Iraq, there was need for enhanced coordination among the agencies executing projects in the north of the country. Her Office had worked closely with its counterparts there, and was planning a joint horizontal audit of procurement in the near future.

97. She took note of the request of the delegation of Iraq to be kept abreast of all reports of OIOS.

98. **Mr. Ahmed** (Iraq) said that the violations he was referring to were those mentioned in the reports of the Secretary-General contained in documents A/55/436 and A/56/381. His delegation had also sent a letter to the Security Council detailing other violations, which might not have been brought to the attention of OIOS.

99. **Ms. Stern** (Director of the Internal Audit Division, Office of Internal Oversight Services) said that OIOS was not aware of the letter that had been addressed to the Security Council. As to the matters referred to in the reports of the Secretary-General, those actions were not viewed as violations but as audit irregularities, which had been addressed through recommendations. At any rate, a follow-up audit would be performed.

The meeting rose at 12.45 p.m.